GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:5053
ANSWERED ON:25.04.2003
OUTSTANDING DUES TO SUGARCANE GROWERS
DINESH CHANDRA YADAV

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government have made any recent assessment with regard to the estimated outstanding dues to the farmers on account of sugarcane supplied to the sugar mills in the country during 2002 as compared to the outstanding dues at the end of 2001;

(b) if so, the details thereof; and

(c) the steps taken by the Government for clearing the outstanding dues of the sugarcane growers due to the non-payment by the sugar mills?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (S SREENIVASA PRASAD)

(a)&(b): As per available information, the estimated outstanding cane price arrears for the seasons 2000-2001 and 2001-02 are about Rs.40.35 crores and Rs.99.80 crores, respectively.

(c): The following steps have been taken by the Government to facilitate speedy clearance of the cane price dues of the sugarcane growers:-

(i) A Buffer Stock of 20 lakh tonnes of sugar has been created for a period of one year, as a result of which the sugar factories would receive a subsidy amount of Rs.412 crores (from the Sugar Development Fund) for the exclusive purpose of payment of cane price dues. In addition, about Rs. 374 crores would become available from the banks on account of additional margin money. Thus, about Rs.786 crores would be available to the sugar factories to clear the payments of cane price dues to the sugarcane growers.

(ii) The levy obligation of the sugar factories has been reduced to 10% w.e.f., Ist March, 2002 to enable the factories to sell more sugar under non-levy quota in the open market.

(iii) The sugar factories have been extended temporary relief by way of permission to sell equivalent quantity of unlifted levy sugar stocks as non-levy sugar in the open market. During the season 2001-2002, a quantity of 2,21,513.7 MTs of unlifted levy sugar stocks were allowed to be sold as non-levy sugar.

(iv) Exports of sugar are being allowed without any quantitative restrictions and, to encourage such exports, the Sugar Development Fund (SDF) Act, 1982 and SDF Rules, 1983 have been amended to neutralize the internal transport and ocean freight disadvantage.